

“Our Army at War - Relevant and Ready...Today and Tomorrow”



Army Contracting Community
**THINK TANK &
WORKFORCE TRENDS**

Ms. Tina Ballard

Deputy Assistant Secretary of the Army (Policy & Procurement)

July 14, 2006

Army Contracting Think Tank

- ✓ **Strategic Thinking**
- ✓ **Three year commitment**
- ✓ **Meet semi-annually or as needed**

HODA
Members:

Ms. Tina Ballard
COL K.C. Jones
Ms. Carol Lowman
Mr. Paul Michaels
Mr. Jeff Parsons
Mr. Parag Rawal
Ms. Sandy Sieber
Mr. Lee Thompson

COE

USAMRA
A

ACA

AMC

RDECOM

Think Tank Products

➤ **VISION STATEMENT**

➤ **STRATEGY**

➤ **PRIORITIES**

➤ **PARC CONFERENCE
ACTIONS**

THINK TANK PRODUCT

- **Develop the Army Contracting vision**



VISION

***One Army Contracting
Community***

Serving Our Soldiers

Serving Our Nation



Army Contracting Organization



SECRETARY OF THE ARMY

Assistant
Secretary of the Army
Acq, Log and Tech

Deputy Assist
Secretary of the Army
Policy and Procurement

HQ Army Materiel
Command (AMC)

Program Manager
Saudi Arabian
National Guard

U.S. Army Aviation &
Missile Command

U.S. Army
Communications-
Electronics Command

U.S. Army Field Support Command

Research Development
Engineering Command

U.S. Army Tank-Automotive
& Armaments Command

HQ Army Contracting
Agency (ACA)

ACA Northern
Region

ACA Southern
Region

Information
Technology E-
Commerce &
Commercial Contract
Center

Contracting Center
of Excellence

Army Contracting Command,
Europe

Army Contracting Command,
Southwest Asia

Army Contracting Agency,
Americas

Iraq

HCA Estab 19 Jun
2003

Iraq

Army Contracting Command,
Korea

Army Contracting Element,
Pacific

U.S. Army Medical Research
& Materiel Command

U.S. Army Corps of Engineers

National Guard Bureau

Surface Deployment &
Distribution Command

U.S. Army Intelligence &
Security Command

U.S. Army Space & Missile
Defense Command

U.S. Army Medical
Command

FY 05 Totals: \$94B, 371K actions, 6137 people (110 military & 6027 civilian)

THINK TANK PRODUCT

- **Develop the Army Contracting strategy**



Strategy

Focus on workforce and business practices so we can execute mission in an increasingly constrained environment

Scope our effort

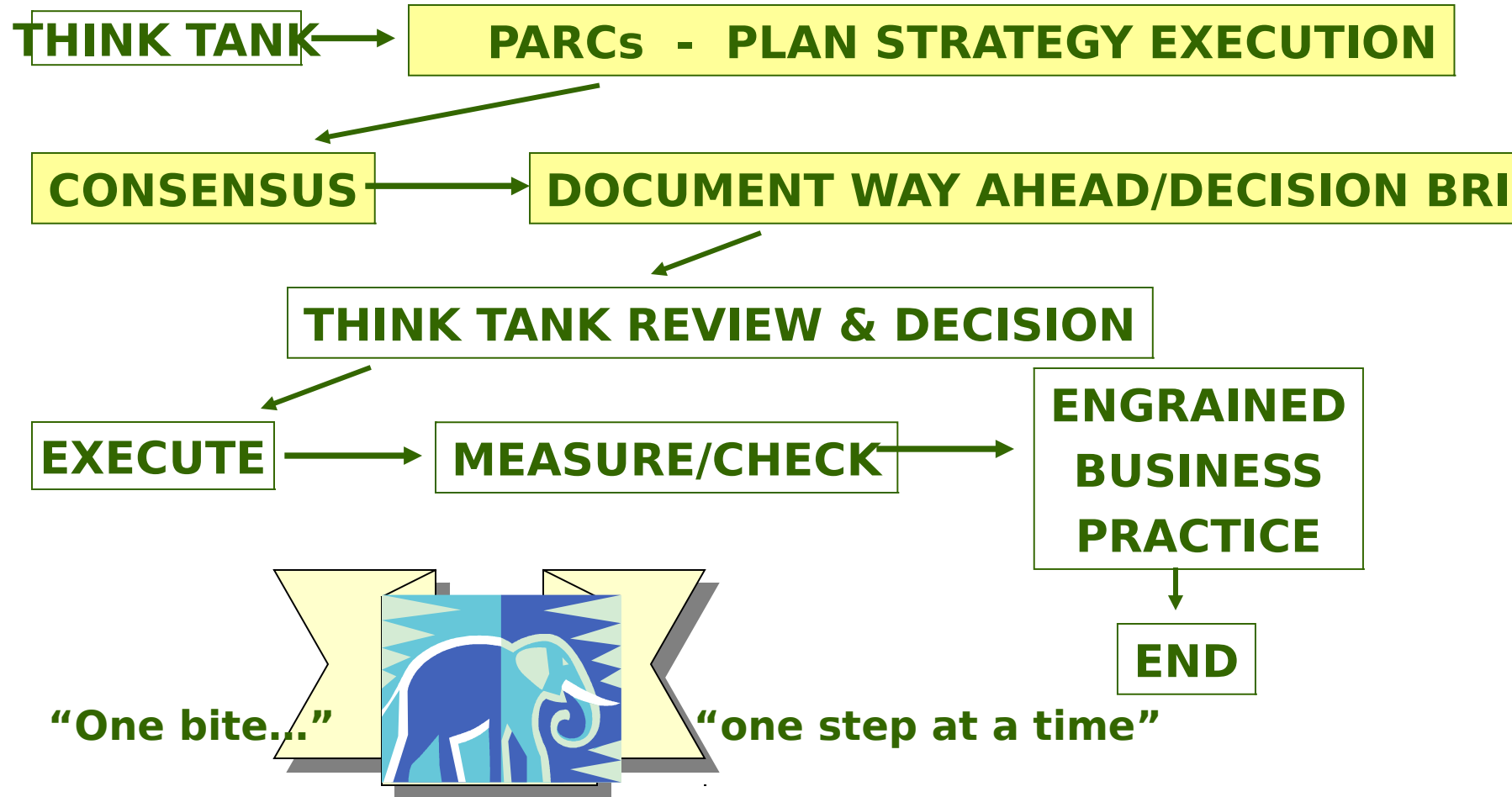
Set priorities

Strategic Focus Priorities

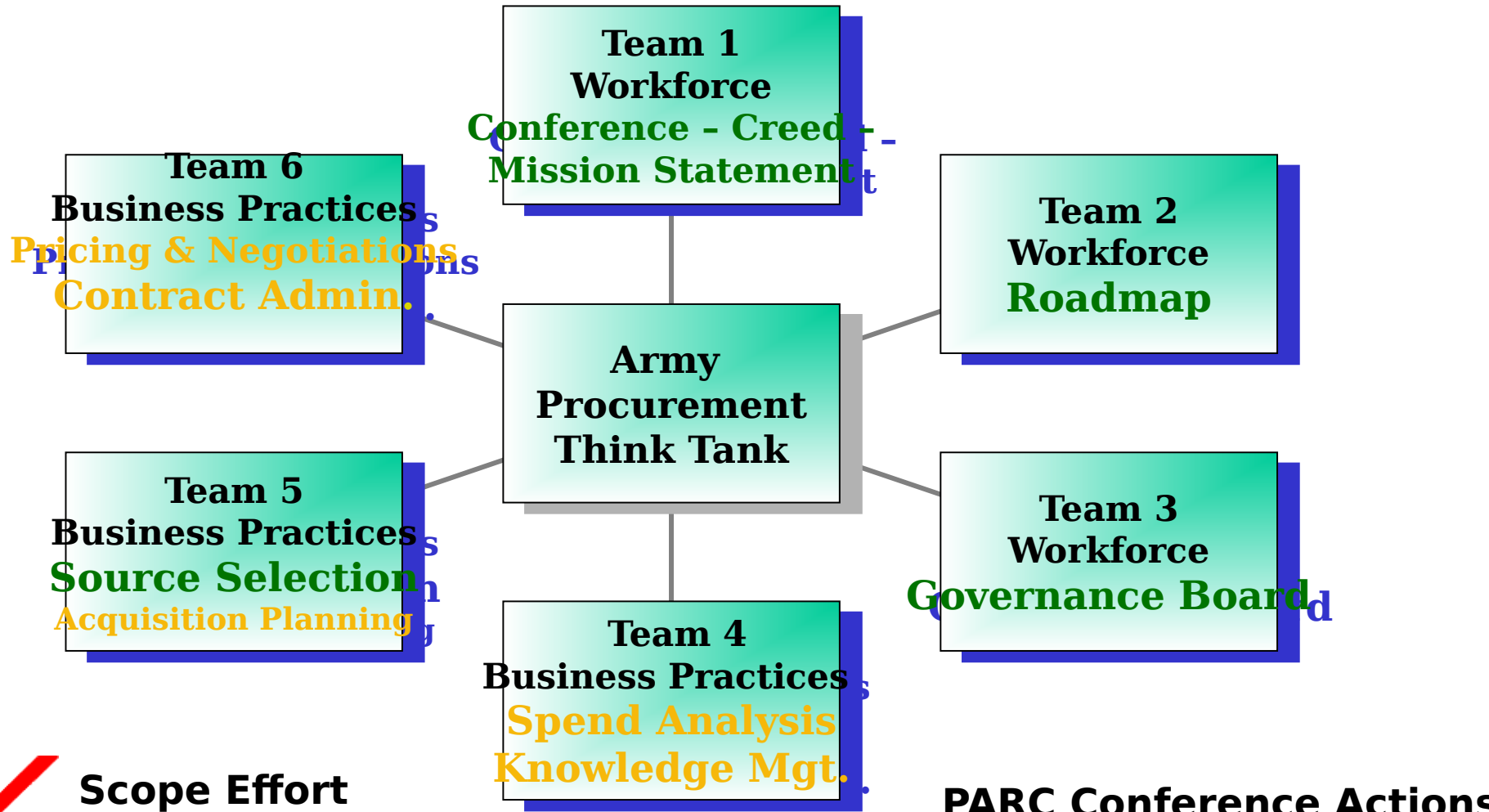
➤ **BUSINESS PRACTICES** ➤ **WORKFORCE**

- **Spend Analysis**
- **Knowledge Management**
- **Source Selection**
- **Acquisition Planning**
- **Pricing & Negotiations**
- **Contract Administration**
- **Training Symposium**
- **Creed**
- **Mission Statement**
- **Workforce Roadmap**
- **Workforce Governance Board**

Strategy Implementation Process



THINK TANK STRATEGY



 **Completed**
 **In-work**

✓ **Set Priorities**

PARC Conference Actions





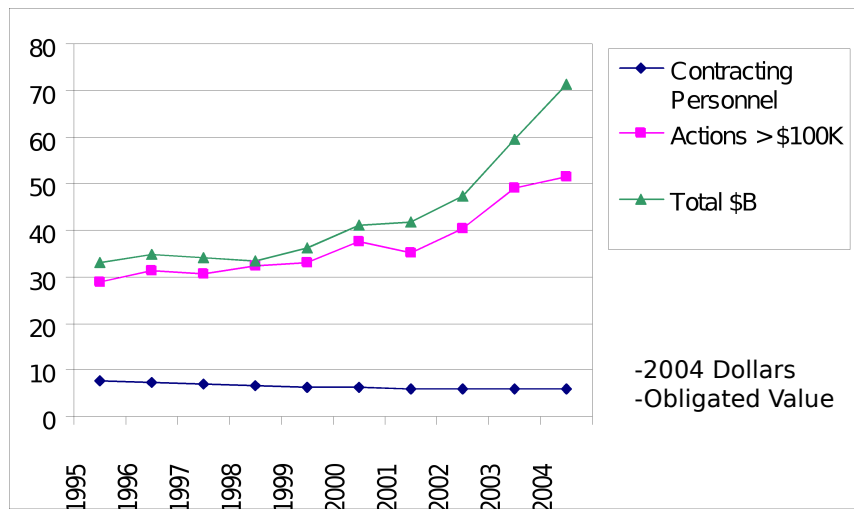
Army Contracting Trends



History

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Personnel	7.6	7.4	6.9	6.5	6.2	6.1	5.9	5.9	5.9	5.9
Actions > \$100K	28.9	31.4	30.5	32.3	33.2	37.5	35.1	40.4	49.0	51.6
Total \$B	33.0	34.9	34.0	33.6	36.0	41.2	41.8	47.3	59.4	71.3

*Personnel in thousands



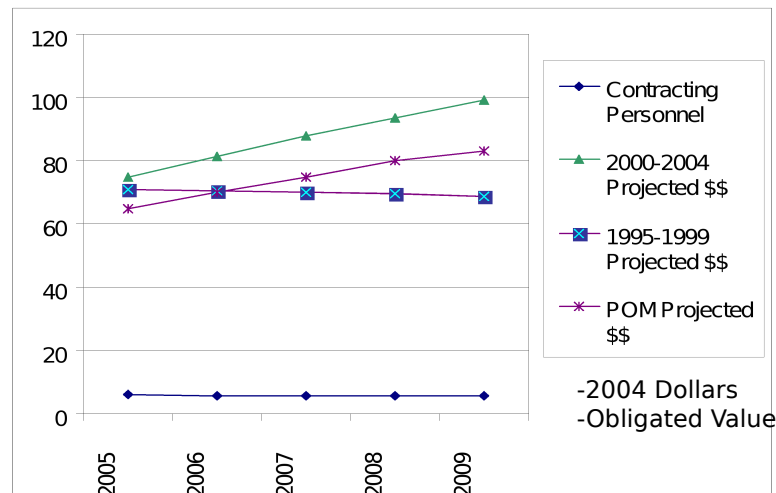
- 1100 series Workforce declined by **23%**
- Actions Grew by **80%**
- \$\$ Grew by **116%**
- In 1995, 1 Action = ~\$1B; in 2004, 1 Action = ~\$1.5B

FY 2005

Workforce Net increase of 136 1102s and \$ increased to \$94 B

Future

	2005	2006	2007	2008	2009
Contracting Personnel	5.9	5.8	5.8	5.7	5.7
Actions > \$100K	55.4	59.6	63.8	68.0	72.2
2000-2004 Projected \$B	74.7	81.4	87.7	93.7	99.3
1995-1999 Projected \$B	71.0	70.6	70.0	69.4	68.7
POM Projected \$B	65	70.1	75	80	83.1



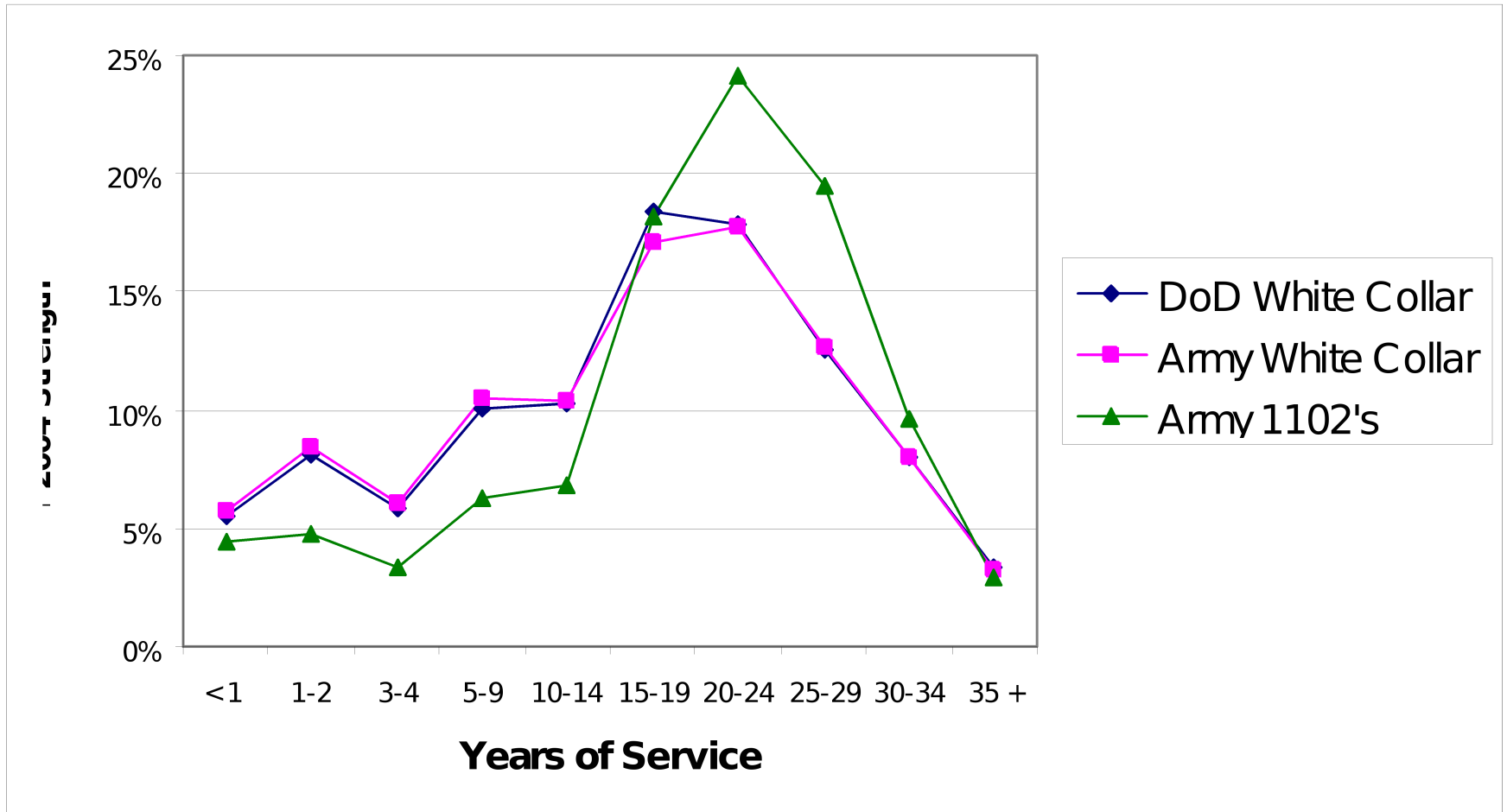
Assuming the next five years behave as the previous 5 years for contracting and previous 3 years for personnel we can expect:
1100 series workforce continues to decline and
Actions and \$\$ will grow except in the most conservative estimate.

Source: Contract Data- Federal Procurement Data Base Personnel Data- Defense Manpower Data Center Deflators- FY 2005 Army Green Book

Army Contracting: One 10
Community Serving Our



Army 1102 Years of Service Profile



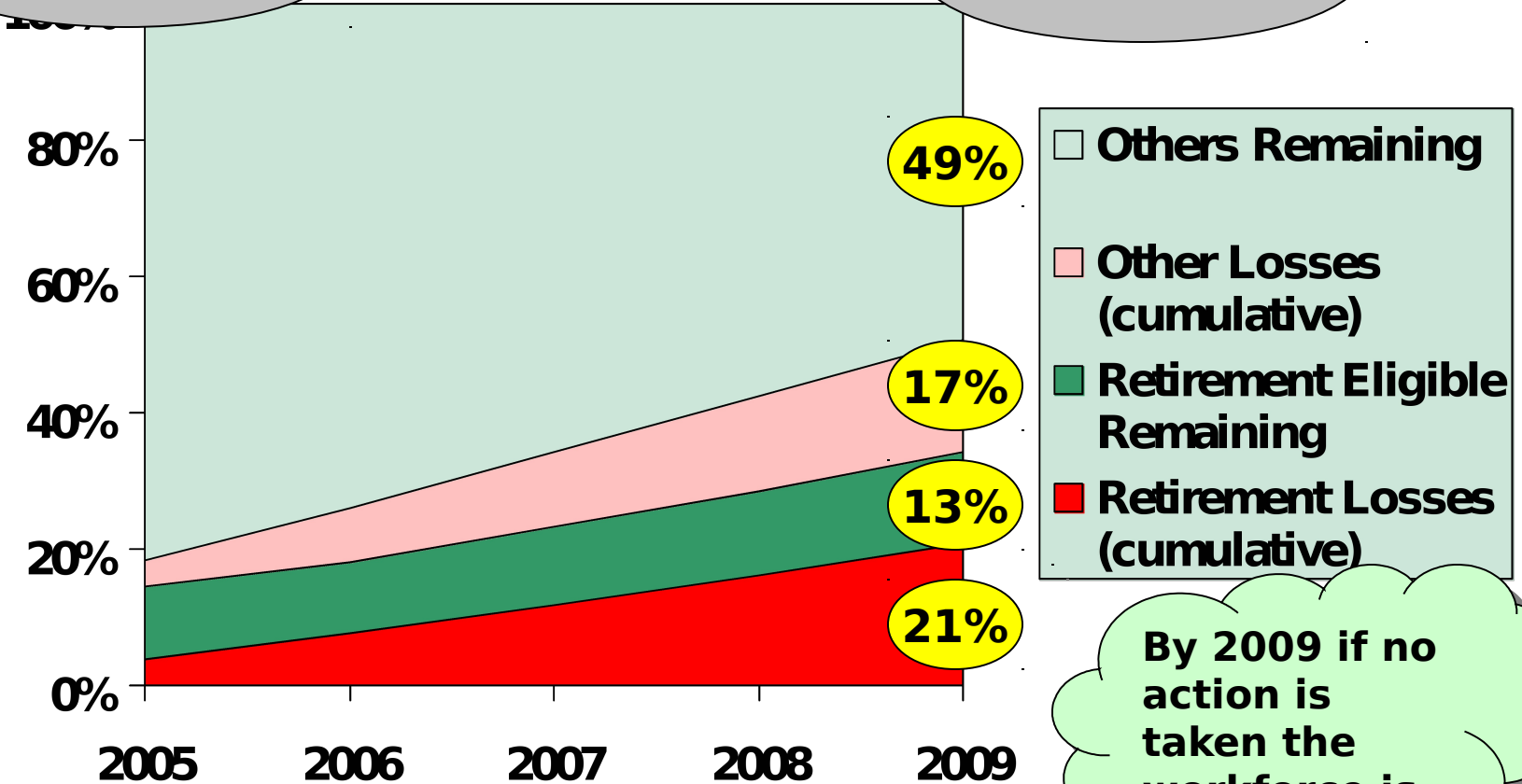
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FY 2005 1102 Workforce Projected through FY 2009

FY 2005 Size - 5,394

FY 2009 Size - 3,292



By 2009 if no action is taken the workforce is projected to lose 38%.

Source: Defense Manpower Data Center Retirement loss data from Fed Scope

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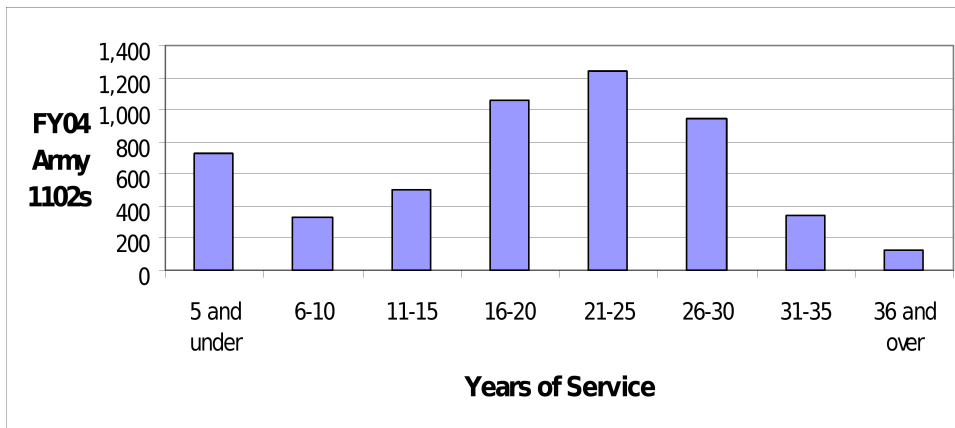


Years of Service



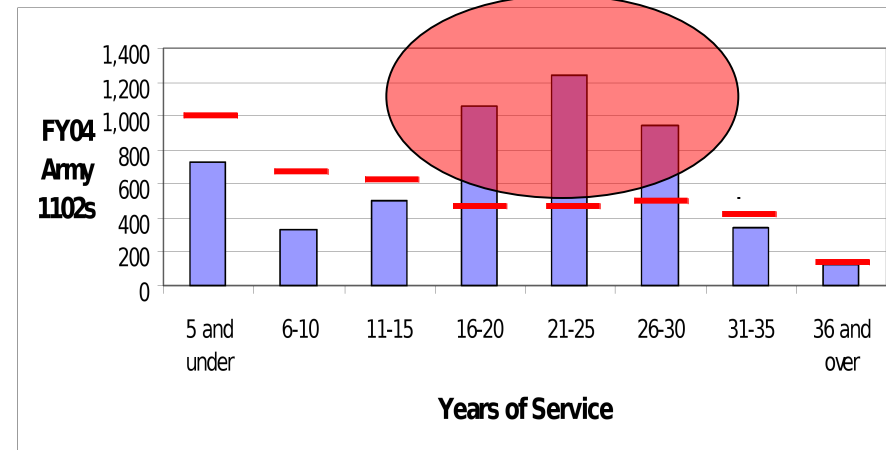
2004

5 and under	6-10	11-15	16-20	21-25	26-30	31-35	36 and over
727	327	502	1054	1236	947	345	120



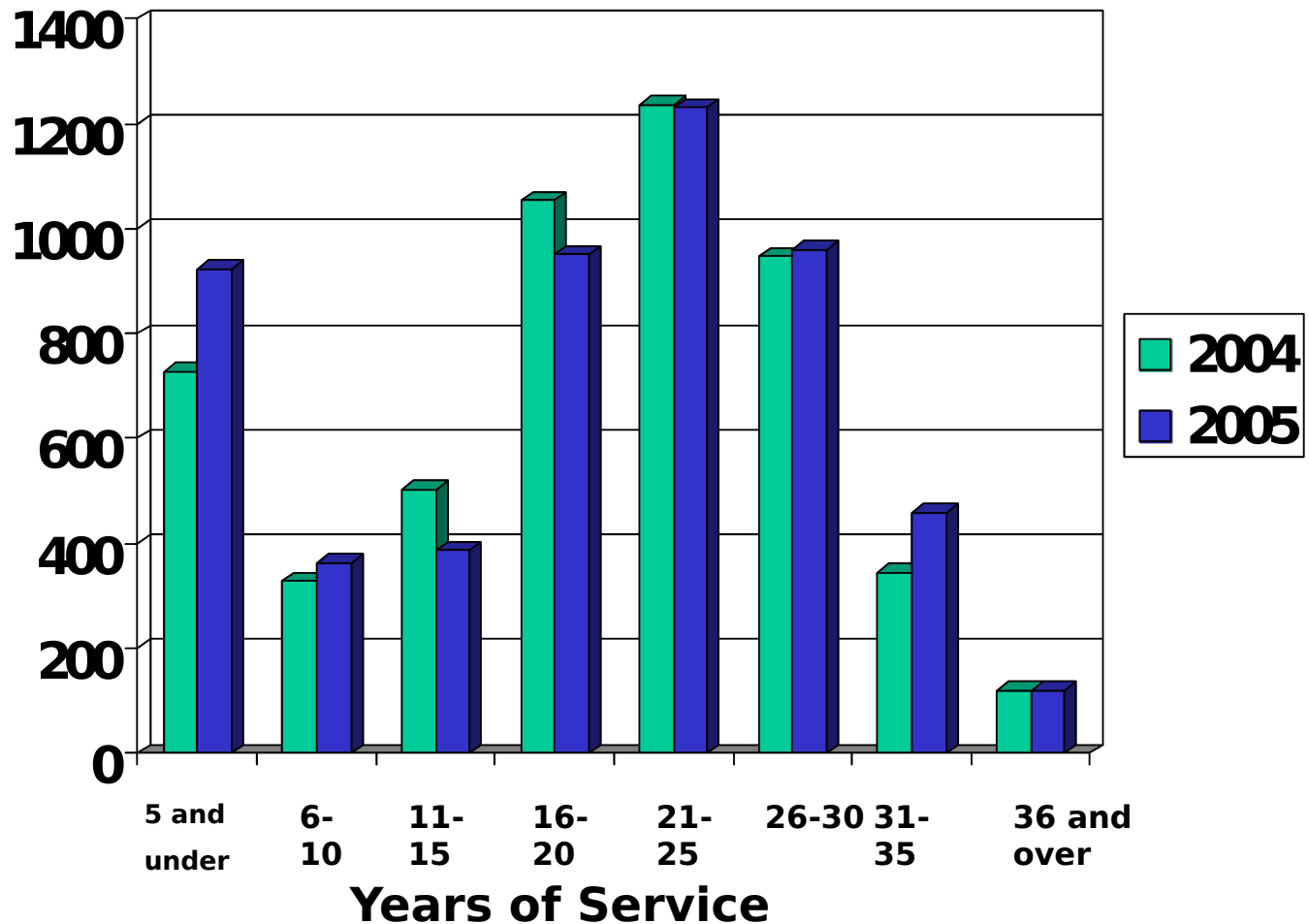
We have leveraged our experience to meet the demands of today...

2019



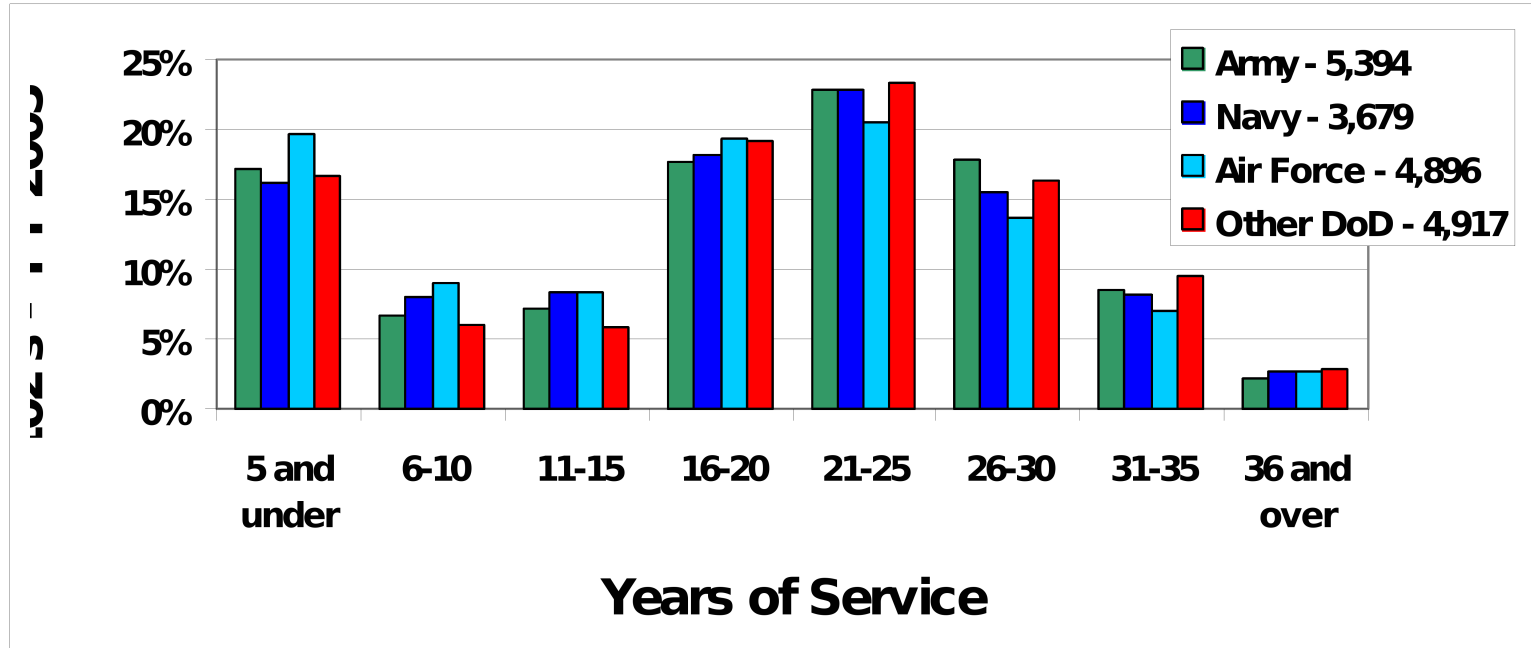
But our bench is too thin to overcome the expected demands of the future without significant change

YEARS OF SERVICE FY 2004 AND FY 2005





1102 Years of Service Across DoD



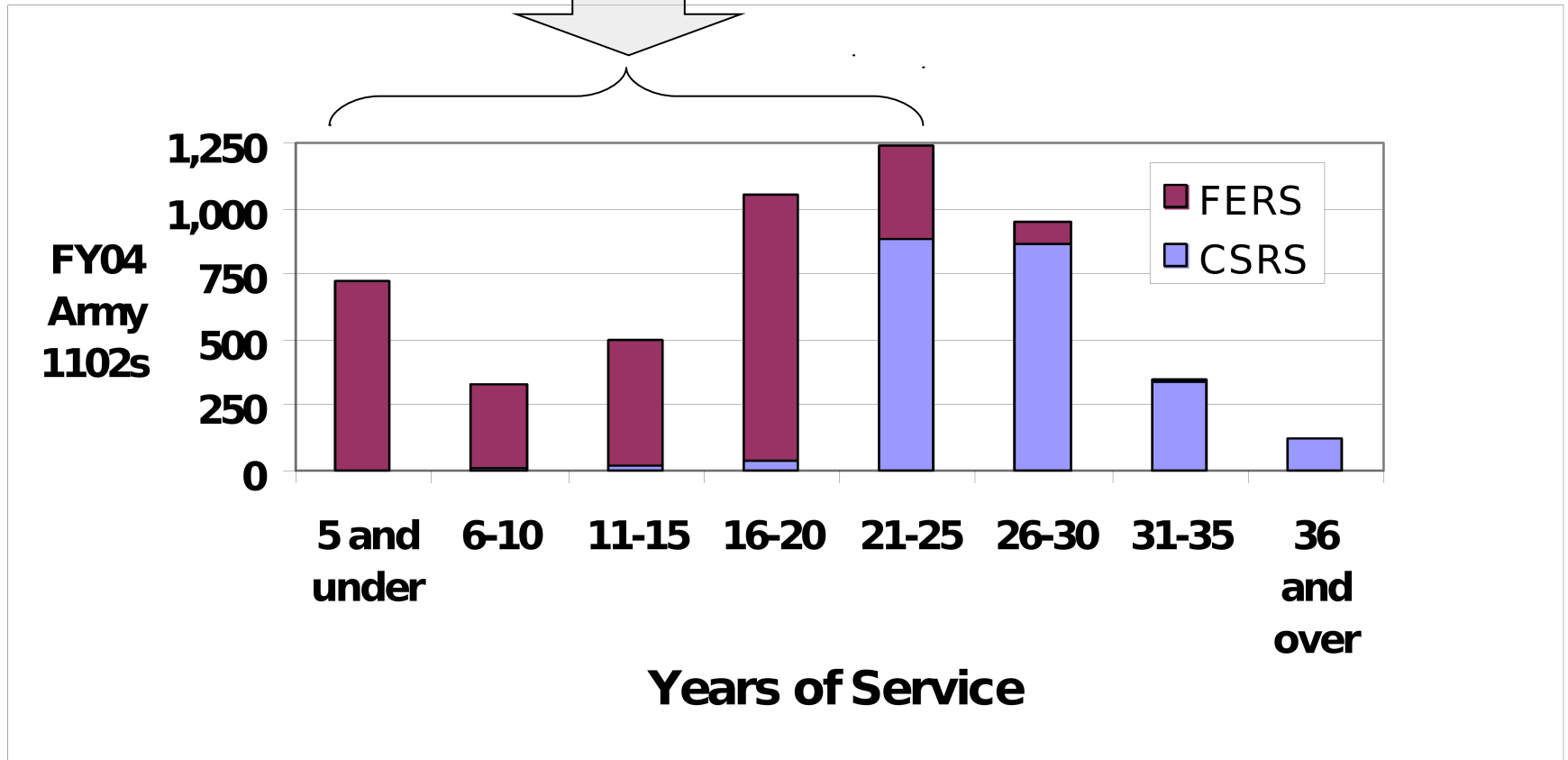
Similar trends across DoD



Workforce Retirement Plans

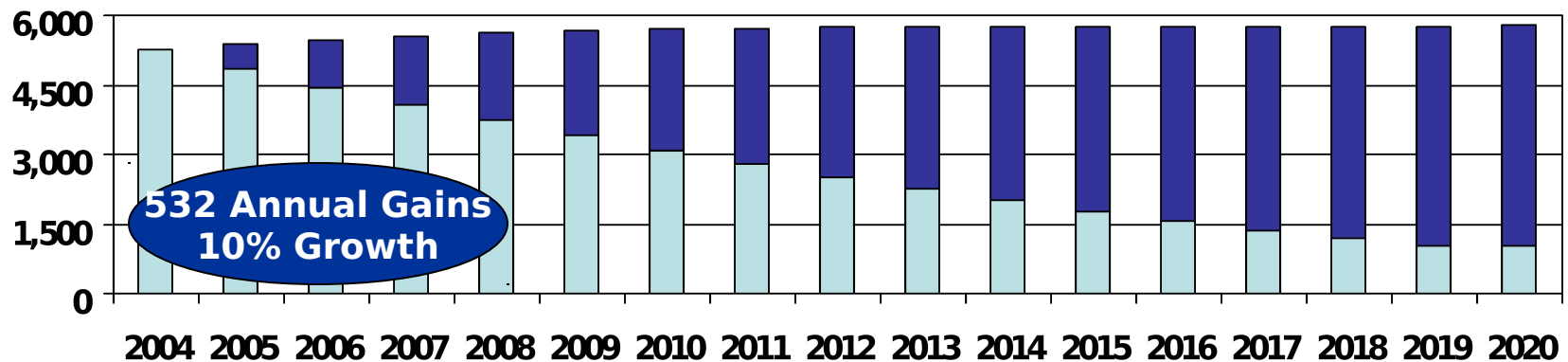
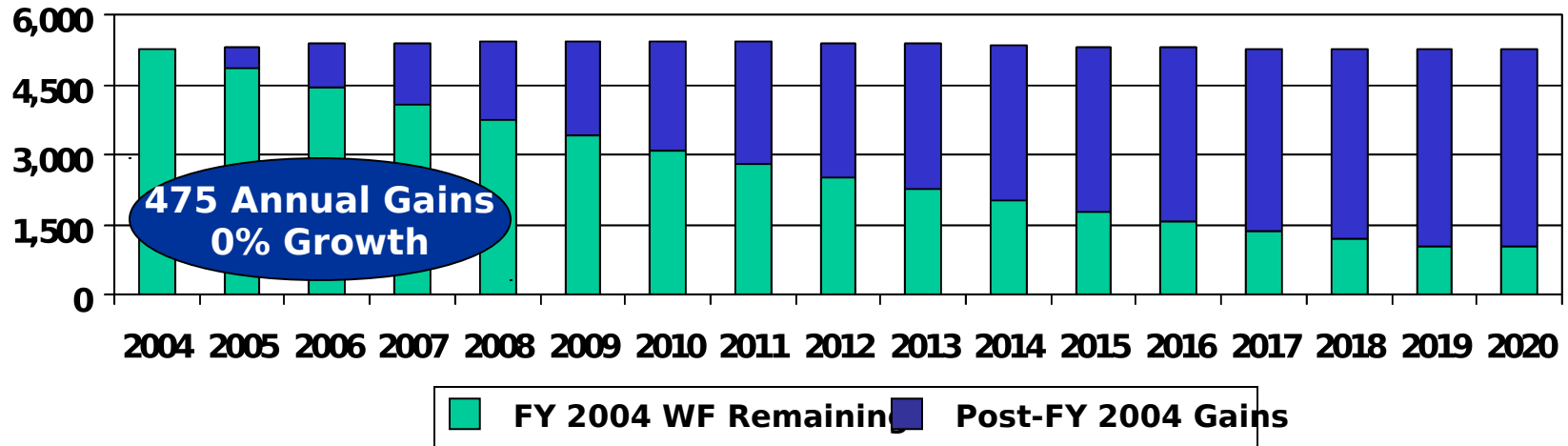


Portable Benefits





Army 1102 - Through FY 2020





Media Reports

[I]t should be obvious that the federal government lacks a sufficient acquisition workforce to obtain the best value for the money it spends on goods and services . . . [R]eforms cannot achieve their potential absent a workforce that is both appropriately qualified and sufficiently numerous to implement the reforms.

Government Executive, July 1, 2006

“Increased demands on the acquisition workforce have led to vulnerabilities in contract pricing and competition and in the selection of the most appropriate contracting techniques,” according to the report, which was requested as part of this year’s defense budget to assess the Pentagon’s vulnerability to fraud, waste and abuse.

2006

The Washington Post, July 10,
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What We Need



<u>Assistance Area</u>	<u>Authority Exists</u>	<u>Need What</u>
Statutory mandate to increase contracting workforce	No	Appropriations
Simplified Hiring Rules	Yes, but process needs simplification	Hiring rules changed
Recruitment: Tuition Assistance Continuous Learning Benefits Package	Yes Yes Yes	Appropriations Appropriations Status Quo or Improved
Retention Authority	Yes	Hiring rules changed
Re-employed Annuitant Authority	Yes	Continuation of Authority Past 10/06
Revitalization Through Centrally Funded Program	Yes	Appropriations



WE NEED



